



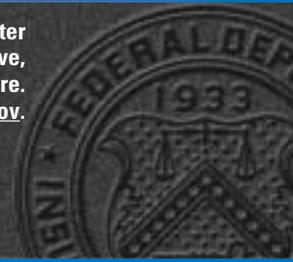
# Letter to Stakeholders

4th quarter  
2002



Happy New Year! This is our third Letter to Stakeholders and highlights 4th quarter activities and year-end financial statistics. Last year was very productive, positioning the FDIC to meet the demands, and opportunities, of the future. We encourage you to follow our progress on the web at: [www.fdic.gov](http://www.fdic.gov).

**Don Powell**  
Chairman



## Our Priorities

### Protect the Funds

- Board approved maintaining the existing BIF and SAIF assessment rate schedule for the first semi-annual period of 2003.
- Subject to change and GAO audit, preliminary estimates show BIF growth to \$32B and SAIF to \$11.7B at Y/E 2002. BIF can sustain a 2.17% growth in insured deposits in Q4 and remain at 1.25%. The average Q4 growth rate for 1991-2001 was 1.19%.
- Strengthened bank governance by holding "Director Colleges" attended by more than 1,300 Directors in 2002.
- Chairman announced 2003 FDIC study on "The Future of Banking in America" to examine implications of major trends for the evolution of the industry and the development of regulatory policy.

### Sound Management

- Approved 2003 operating budget that reduces spending by 8% below 2002.
- Formed a Capital Investment Review Committee to evaluate and oversee major capital investments.
- Examined 829 well-managed, well-capitalized banks using new risk-focused procedures and reduced average exam time in these institutions by more than 20%.
- Resolved 10 BIF institutions with assets at failure of \$2.5B with an estimated cost to the fund of \$628M; and 1 SAIF institution with assets at failure of \$50M and an estimated cost of \$1M.

### Consumer Education

- Continued to partner with financial institutions, trade associations, and community based organizations to promote and offer *Money Smart* nationwide.
- Formed *Money Smart* alliances with over 300 national/regional organizations, distributing more than 32,000 copies.
- Made banker version of Electronic Deposit Insurance Estimator (EDIE) available nationwide on CD-ROM.

### Policy Leadership

- Chairman held Banker Outreach sessions in Chicago, San Francisco, and Memphis, visited 15 top bank CEO's, attended 4 banking conventions, and met with 8 state, regional, and international banking associations.
- Held the inaugural meeting of the FDIC's Advisory Committee.
- Chairman, in October, again called for a re-examination of the regulatory structure for the financial services industry.
- Hosted November economic roundtable with leading private sector and government economists and a housing market panel with the National Association of Business Economists.
- Developed five regulatory burden relief initiatives for the financial services industry from over 400 comments received on the FDIC's website.

## Our Key Indices Most Current Data

Insurance	BIF		SAIF		Both Funds	
	Q3 2001	Q3 2002	Q3 2001	Q3 2002	Q3 2001	Q3 2002
Updated quarterly (\$ billions)						
# Insured Inst.	8,416	8,189	1,304	1,244	9,720	9,433
\$ Insured Inst.	\$ 6,849	\$ 7,197	\$ 1,005	\$ 1,086	\$ 7,854	\$ 8,283
Insured Deposits	\$ 2,403	\$ 2,510	\$ 779	\$ 836	\$ 3,182	\$ 3,346
Fund Balances	\$ 31.8	\$ 31.4	\$ 10.8	\$ 11.6	\$ 42.6	\$ 43.0
Reserve Ratios	% 1.32	% 1.25	% 1.39	% 1.39	% 1.34	% 1.28

Supervision	12/31/2001	12/31/2002
YTD		
Total Number of FDIC Supervised Institutions	5,499	5,390
Bank Examinations:		
Safety and Soundness	2,575	2,534
Compliance and CRA	2,180	1,820
Insurance and Other Applications Approved	2,749	2,757
Formal and Informal Enforcement Actions	527	448

Receiverships	BIF		SAIF		Both Funds	
YTD (\$ millions)	Q4 2001	Q4 2002	Q4 2001	Q4 2002	Q4 2001	Q4 2002
Total Receiverships	36	37	3	3	39	40
Assets in Liquidation	\$ 132	\$ 657	\$ 194	\$ 397	\$ 326	\$ 1,054
Collections	\$ 143	\$ 1,610	\$ 6	\$ 134	\$ 149	\$ 1,744
Dividends Paid	\$ 331	\$ 1,054	\$ 1	\$ 919	\$ 332	\$ 1,973

Income	BIF		SAIF		Both Funds	
YTD (\$ millions)	Q3 2002	Q4 2002	Q3 2002	Q4 2002	Q3 2002	Q4 2002
Assessment Income	\$ 62	\$ 84	\$ 18	\$ 24	\$ 80	\$ 108
Interest	\$ 1,272	\$ 1,692	\$ 421	\$ 564	\$ 1,693	\$ 2,256
Comprehensive Income	\$ 944	\$ 1,611	\$ 651	\$ 812	\$ 1,595	\$ 2,423

Resources	Budgeted 2002	Expended 2002	On Board Staff Y/E 2001	On Board Staff Y/E 2002
YTD (\$ millions)				
Totals	\$ 1,216	\$ 1,190	6,229	5,457

▼ Financial data is unaudited  
• Data as of December 28, 2002